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# ECONOMIC ESSAYS.

BY

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Box 227

WALTER S. WALDIE.

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PHILADELPHIA:

1886.

$\frac{1}{12}$  GRO: ASS'D:

ECONOMIC ESSAYS UPON THE RELATION  
OF MAN TO PROPERTY.

FROM THE

STANDPOINT OF AN AMERICAN CITIZEN.

BY

WALTER S. WALDIE.

PHILADELPHIA :  
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1886.

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#### ERRATUM.

On fourth line from foot of page 76, read \$100—amount of one year's interest, *instead of* \$30.

#### FALSE TEACHERS.

WE find in the curriculum of nearly every collegiate institution in the United States a branch of study called Social Science, and as these colleges have great influence in forming public opinion it is proper we should examine the authorities upon which this so-called social science has been established, and also to examine how compatible its teachings are with the ideas of our American Declaration of Independence.

The original source of inspiration of every textbook used in colleges is the work of Adam Smith, a Scotchman, who published it in 1776, under the title, "The Cause and Nature of the Wealth of Nations." He honestly refrained from calling his book anything else than what it was—a treatise on the development of wealth, in which he ignores man except as a machine for the accumulation of wealth to those having money to invest, and plainly tells those who do the physical labor and drudgery in developing wealth, that "they have no reason to expect a greater share of the products of their labor than sufficient to maintain a mere animal existence and raise a new generation of workers."

If we regard social science as the science which teaches man how to associate himself with his fellow-men and develop his intellectual and spiritual faculties, which distinguish him from the brute creation, then Adam Smith's book has not the shadow of a claim as a treatise on social science which our college professors have given it. Adam Smith cannot be censured for writing as he did at the time, for he lived under a government whose cardinal principle is the superiority of property over life; a government that would expatriate a man for hooking a salmon, but gives a man six months' imprisonment for beating his wife to death. Despotism does not permit of opposition, and Smith and his book would have been expatriated, as Priestley was, had his book contained one plea for humanity. Verily a strange book for American college professors to expound from!

English government being almost incessantly at war with some nation, and pauperism being on the increase among her own subjects, some excuse had to be made to appease the suffering victims. The Rev. R. T. Malthus, a member of the English Established Church, did this service in his work, "Principles of Population," by help of which his readers might, as they were assured, understand the causes "of the poverty and misery observable among the lower classes of the people in every nation," and of "the repeated failures in the efforts of the higher classes to relieve them." Mr. Malthus's invention consisted in claiming that the Creator had established a great law which relieved the favored wealthier classes from all responsibility for the poverty and misery prevalent

among the people, and enabled them to close their purses and even their hearts against the commonest dictates of charity, comforting themselves with the reflection that if they should in any manner "stand between the error and its consequences," or "intercept the penalty" affixed to the procreation of their species by those who had not accumulated the support for children—which penalty was poverty, wretchedness, and death—they would but "perpetuate the sin," and thereby become themselves participants in the crime. This theory satisfied the rich that they might safely and conscientiously "eat, drink, and be merry," though surrounded by poverty, disease, and death.

The ground plan of the Malthusian theory is that population increases as 1, 2, 4, 8, 16, etc., while subsistence can be only increased 1, 2, 3, 4, 5, etc., consequently wars, pestilences, and famines were virtues—benefits, and not evils—as they prevented starvation by reducing population down to the food standard. This theory was not sustained by any logical proof, but it was so completely in accord with English despotism and greed of wealth among the governing class that it was received without a dissenting voice and transferred to American colleges as being good orthodox teaching.

Daniel Ricardo, a Jew, born in Amsterdam, quarrelled with his father and went to London, where he made an immense fortune in stock gambling, and, after apostatizing from the Hebrew faith, bought his election to a seat in Parliament, and wrote a book supporting the blasphemous Malthusian doctrine of surplus population. He asserted, contrary to all truth,

that original settlers occupied the richest lands, forcing all new comers to accept inferior lands, consequently starvation for the last generation was only a question of time.

That the theories of Smith, Malthus, and Ricardo are in accord with the spirit of the governing class in England is demonstrated by the following extract from the London Times, the leading organ of the English aristocracy:—

"For a whole generation *man has been a drug* in this country, and *population a nuisance*. It has scarcely ever entered into the heads of economists that they would ever have to deal with a deficiency of labor. The inexhaustible Irish supply has kept down the price of English labor, whether in the field, the railway, the factory, the army, or the navy; whether at the sickle, the spade, the hoe, or the desk. We believe that, for fifty years at least, *labor, taking its quality into account*, has been cheaper in this country than in any *part of Europe*, and that this cheapness of labor has contributed vastly to the improvement and power of the country, to the success of mercantile pursuits, and to the enjoyment of those who have money to spend."

While it is natural for English aristocracy to accept the teachings of Smith, Malthus, and Ricardo, it is unnatural that such doctrines should be the ground plan for text-books on social science adopted in nearly every educational institution in this country. The secret may be explained in the fact that college professors, as Perry and Sumner; Congressmen, as Carlisle, Watterson, Morrison, etc., have salaries to spend,

and they want a system that makes it "good for those who have money to spend."

It is impossible for like causes to fail in producing the same results upon a people, be they subjects of a monarchy or citizens of a republic; and as it is the social, much more than in the political, relations where the heel of oppression is most grinding, it is self-evident that illogical dogmas invented and patented for the use of the vilest government upon earth—England—cannot be suited to the education of American students.

It is to these false teachings that we owe the discordant conditions now existing in nearly every branch of productive industry between employer and employed, falsely called a conflict between capital and labor, but which is in reality a bitter feud of the creditor class against the debtor and producing class, to which feud the employer is as great a slave as the employed. The creditor class dictates how much money shall be disbursed as wages, and employes have to scramble for their share. The difficulty of getting hampers the disbursing, causing reductions on one side and strikes on the other, and will continue until employer and employed combine, instead of fighting each other, to compel equity between debtor and creditor. This equity between debtor and creditor can only be attained by destroying the English policy of making man subservient to property instead of property subservient to man. College professors and English gold have given the English system the ascendancy in our national legislation. The power of the creditor class is disguised by



a systematic arrangement of delusions, believed in by the ignorant and connived at by the intelligent but unscrupulous, which it will be the object of these essays to expose.

England is *per se* the capitalistic nation of the world, while the United States, with its immense natural resources, yet in infantile course of development, is the labor nation. England's policy is to keep the world in debt to her, because as a creditor nation she can dictate prices for such crude materials as she chooses to purchase to utilize her coal in driving machinery. Depressing her own labor to the minimum point of existence, she forces the same minimum animal existence, devoid of every intellectual aspiration, upon every nation who buys her manufactures. The condition of the people of India, Egypt, Turkey, and Ireland should be a warning beacon to Americans not to allow themselves to be debtors to England by purchasing her productions, no matter how nominally low the price may be. It is the smile of the harlot sure to end in destruction of industrial and political independence; for depressed labor in the United States will produce an American aristocratic oligarchy, just as certainly as that depressed labor in England supports a landed aristocracy.

The late Southern slaveholders understood the value of an open market for English manufactures as being the best support for their peculiar institution. They saw the close alliance of hired labor dependent upon English capital, and their personal chattel labor.

It has been openly proclaimed in New York City—a vassalage of England—by some of the leading

citizens, that the American laborer has no right to expect any better condition of life than that of the English laborer, but the Beechers, Coes, and other believers in this doctrine do not offer any evidence in support of it; the mere assertion of such honorable men is sufficient to silence all doubt upon the subject. Colleges are mainly supported by those "who have money to spend," and professors must be in accord with the views of their patrons. Is the condition of English laborers such an enviable one that Americans should ignore their great natural and political advantages and accept the dregs of feudalism existing in England to-day?

Every dollar of a debt due abroad is a manacle upon American labor, for it is labor that pays every dollar of debt, *foreign or domestic*, and however remiss our national legislation, misled by the false teachings of college professors, has been in regard to preserving equity between domestic debtors and creditors, it is only adding fuel to the fire by permitting the English manufacturer to add his burden upon American labor by our buying English goods.

Between such antagonistic principles as exist between monarchy and democracy, there must be a barrier between the industrial products of the two countries, because unrestrained competition will reduce Americans to the English standard. As import duties are paid by the foreign manufacturer, and not by the American consumer, the cheapest and most certain barrier is a high import duty, which has always cheapened the article to the American consumer and helped the American manufacturer.

If, by any means, we can exclude that infernal piratical curse of the world, England, from interference with our domestic industries, our domestic grievances could be soon adjusted, for the American ballot can control American legislation, but cannot influence English, though English gold is lavishly expended in our national halls at Washington.

A French writer truthfully describes the English policy as "a special science devoted to merely considering man as an instrument of labor, ignoring his personal welfare, in order to produce cheaper than other nations. Under the influence of the doctrines of the English school of economists, a colossal industry has been created which fills the world with its manufactures. It is a vast arena where men, women, and children are thrown pell-mell like a regiment of soldiers in the heat of battle. From this ardent and confused mass, the result of which is to create millions of wealth, the strong and cunning rise to the top, while dishonor and ruin seize upon the weaker, and the great mass, deprived of security, oscillate between death and starvation. They treat social science as a question of wealth, and not as an application of nature's law to development of civilization as it should be." Our American college professors totally ignore the French standpoint in their blind allegiance to English brutality.

## ASSOCIATION AND ITS INSTRUMENT.

THE isolated man dependent upon his own unaided resources is one of the weakest creatures in existence in comparative ability to supply his wants; his home and food are what he finds unappropriated by savage animals, while being himself in constant danger of becoming their prey, but by association with his fellow-men he acquires supremacy over the forces of nature.

Association is understood to be the intelligent interchange of mental and physical services between individuals, and also the combination into concentrated effort for public good, as being best protective of individual safety; herding together as buffaloes, or congregating in unorganized tribal communities as Indians, are not examples of association.

In all of the innumerable exchanges of services transacted in organized communities, each individual has his peculiar relative value which must be acknowledged and protected by the community. To do this equitably requires some form of certificate expressive of the value of the service rendered, when such service is not required by another service at the time, which is very rarely the case in civilized life.

The recipient of a service becomes a debtor to him who has performed the service, and as the creditor

has to search through the community for some one who will accept the debtor's due-bill or certificate, in payment of such service as he may need, it is positively necessary that the certificate shall be one acknowledged by the whole nation. This certificate does not pay a debt; it merely asserts the ownership of a debt due to its possessor by the community. As individual debtors and creditors are being constantly created, the immense importance of properly constructing this balancing certificate cannot be overestimated. Errors in the system of creating and controlling this balancing certificate are, and have been, the most prolific agent of human misery.

Arguing from the American standpoint of equality in the rights of man, however variable his capabilities may be, it is self-evident that this balancing certificate of individual indebtedness can be only equitably issued by an authority in which every individual has an equal voice in creating, which is the United States Congress. And as individual happiness is dependent upon exchange of services with his fellow-men, it is also self-evident that the amount of these exchanges should be the guiding principle in establishing the volume of such certificates, both in regard to the totality of amount and to the denominations. Any arbitrary decision upon either of these points cannot fail to impair the usefulness of the authorized certificate. Such an arbitrary Act of Congress is equivalent in stupidity to a railroad company limiting the number of its cars regardless of the wants of its customers.

The value of this certificate being dependent upon

the productive ability or wealth of the community, it is absurd extravagance to use an expensive material on which to stamp its amount of credit. Being merely an instrument to effect exchanges it should be considered in the category of all other machines or instruments, to be constructed at the least possible expense compatible with usefulness and security. And as its volume is an increasing one according to the growth of population and productive wealth, the selected material must be capable of production commensurate with such growth. Enacting an issue of balancing certificates without having the material for its execution is similar to designing a building without having the materials for constructing it.

Nearly every civilized government has tried the experiment of a theoretic money based upon metals they could not create nor control, only to learn its utter inefficiency in times of great emergency, when they were obliged to use means commensurate with the object and coin a money out of the only material that all governments have at their command—public credit—and in every instance has this public credit money fulfilled every demand made upon it, and saved the government that created it. Public credit money brings the individual in closer connection with the public, and this close alliance is the secret of its great strength.

There is little use of saving the government if the people are not saved, and why a money that carried a government through a severe emergency cannot be continued, after the public danger has passed, to prevent the individual people from having industrial

emergencies, can only be explained by legislation being influenced by the ignorant teachings of college professors not emancipated from the fossil dogmas of feudalism. And it is rather remarkable that monarchical England and democratic United States should have pursued the same policy of crushing individual prosperity as soon as the political existence of the nation was assured. Individual prosperity is not a plank in the monarchical platform, therefore her action was perfectly consistent, but as individual prosperity is the most important plank in the platform of a republic, imitation of England's policy of crushing individual prosperity by adopting the same process—contraction of the balancing certificate between debtor and creditor—was as brutal as it was inconsistent with our Declaration of Independence, and justly ranks the promoters of the scheme as confederates of Benedict Arnold.

Historical evidence having fully demonstrated the inability of our present system of supplying a balancing certificate between the individual debtor and creditor, it is the part of common sense to gather from the past such facts as will help us to construct a better one.

Barter is the basis of all business or exchanges between individuals, and as it is the true object of every form of money to cheapen the means and extend the area of barter, it is self-evident that the paymaster of metal or paper money is some form of personal service or of productive industry. Every attempt at making an intermediate paymaster is a hindrance to

the object desired—exchange of services and commodities.

All values in barter transactions are expressed in "Money of Account," whose denominations vary in every country, each of which has its own unit, in multiples of which values are expressed. The unit of the United States is the "mill"—an ideal unit unrepresented by any material—one thousand of which constitutes the standard dollar. Upon this ideal unit the United States government has created an ideal money of gold, and a struggle is going on to take silver in partnership on an equal footing.

The people are doing what business they can in money of account, the amount of which far exceeds the combination of gold and silver to supply. The deficiency between ideal or legal money and money of account compels the use of bank credit, and divides the nation into a 90 per cent. debtor class and a 10 per cent. creditor class—an aristocracy without titles but as potent as any monarchical aristocracy with its ribbons and gew-gaws.

Until the money of account of the people is balanced by the ideal, inefficient theory money of the government, there cannot be equity between debtor and creditor. The discordant conditions now existing in nearly every branch of productive industry are largely due to the feud between the ideal money of the government and the money of the people, or money of account.

The people of the United States are daily increasing their productive ability with a corresponding increase in the money of account, while the materials

of the ideal money, misnamed the "precious metals," are as rapidly decreasing. Even with unlimited coinage of silver the breach between debtor and creditor portions of the nation will widen. Either industry must merge into idleness and pauperism, as in England, Scotland, and Ireland, or ideal money must be abandoned for substitution of a money representative of and based upon productive industry.

As changing a debt from an inconvenient to a convenient form does not increase the amount of the debt, there is not any valid reason why the national bonds, subject to call, should not be replaced with national notes of small denominations. If bondholders demand coin give them silver, or certificates of one, two, and five dollar denominations. This would do more to restore harmony in industrial circles than labor organizations can do in a century.

It is a strange idea entertained by many that an interest bearing debt issued by the United States is more sacred than a non-interest bearing debt. If an interest bearing bond is good security for national bank notes, are not the notes made from the bonds and issued directly from the public treasury just as good as when issued through the banks?

The word "inflation," meaning cheap money, is a terrible bug-a-boo to money lenders, though they are as callous as flint to the miseries of cheap labor. Idle money is harmless, but idle humanity is dangerous and expensive.

## BANKS AND BANKING.

THERE is not in the business arrangements of a people a subject so influential upon industrial prosperity and one so little understood as this one of Banks and Banking.

Starting as they did in times when individual credit depended more upon might than right, banks taught the world the immense value of organized credit in facilitating commerce—that valuable aid to human progress. Bank credit was as superior to private credit as a good turnpike was to a soft dirt road. But to-day the steel rail is supplanting the turnpike, and the people are now asking that the nation's credit shall supersede the bank credit.

There is an absurd idea prevalent in the minds of many respectable people that bankers are *per se* financiers, *i. e.*, they are proper judges of how much money is needed by a community to balance individual transactions; and, by virtue of this delusion, bankers have had almost entire control over our national financial legislation. Bankers are not financiers in the sense just referred to; their business is to exchange their credit for private credit; to sell their credit as a substitute for money, and the less money they can keep the government from issuing the higher is their charge for their credit. They advocate the

use of gold as a balancing agent because they know that gold can be supplied only in limited amount, and depreciate silver because the supply of it threatens to become a severe competitor against the use of their credit. Banks are organized to make money for their stockholders, and the public has no right to expect that banks will omit any legal means to make their business profitable, any more than to expect that a merchant will sell his goods below the market price. If productive industry is prosperous and the banks make money, well and good. If productive industry is not prosperous but the banks make money, it is also well and good as far as the banks are concerned. The people must organize for their own interest just as the banks do for themselves. Vituperation of bank officers is as absurd as it is unjust, for bank officers are fair representatives of the business intelligence and integrity prevalent in the community. The people have the legislative power to create a better system. Let them study how to do it.

As an active movement of what money the people may possess is of as much importance as having the money itself, common sense dictates that depositories for the sale of money, the same as for the sale of any other form of merchandise, is mutually beneficial to the individual and to the public. It is, therefore, a great mistake for an individual to think that any unused money he may have on deposit in a bank of discount and deposit is of no value to him. His very balance may be loaned to some one who becomes a direct customer, or, using it in some other channel, becomes indirectly a customer. Every dollar dis-

bursed in one channel has its influence upon every other channel of business.

The volume of money has always been subject to some chance, as the discovery of metallic ores, etc., and limited in amount, while communities increase in population and production, creating a demand for money in excess of supply, and compelling the use of some substitute for money. Bank credit offered the readiest solution of the difficulty, and banks were authorized to issue obligations—bank notes—in excess of the money they had on hand. This afforded relief, and would have worked very well but for an asinine regulation that compelled the banks to pay all obligations, loans as well as actual deposits, in coin money. The absurdity of this regulation is apparent when we consider that bank obligations were sanctioned because there *was not enough money* to transact business, and, consequently, *these obligations could not be paid* on demand. A bank that exchanges its *demand* obligations in excess of its ready money for an individual obligation payable in the future becomes *legally insolvent*, while it is *morally solvent*. Legally insolvent because it is impossible to pay obligations in what it does not possess and cannot get. It is morally solvent because the people owe the bank more than the bank owes the people, and can cancel its obligations by accepting them in payment of debts to it by the people. This nervous condition of moral solvency and legal insolvency keeps the money market, as it is called, in a constantly feverish condition, which at times burns into a suspension. That is, an honest confession of its legal

insolvency at the same time demonstrating its moral solvency by accepting its obligations in payment of debts due to it. After the first flurry or excitement of suspension has subsided, bank notes and bank credit serve business purposes just as well as during the time when the absurd pretence of specie payment was in vogue.

Legal enactment can limit the extent of ratio of bank loans to its capital, but legal authority cannot compel the bank to keep its loans up to any standard. For instance, at this present writing the loans of the banks in Philadelphia are about four and one-half times their paid-in capital. They cannot be compelled to keep their loans up to this ratio, and if any public excitement occurs, as in 1857 and in 1873, the banks will be compelled in self-defence to call in their loans as speedily as possible. The vacuum in the money market produces a corresponding vacuum in the purchasing market. Prices of merchandise must decline proportionately to the decline in volume of money, but obligations for payment do not decrease one cent from their face value, hence the manufacturer is obliged to give more goods to pay his note—possibly be obliged to sell goods below cost of manufacture. In such a case he must either stop working or reduce wages.

These fluctuations of prices, and interruptions of industrial activity, cannot avoid being periodical as long as the business movements of the people are dependent upon possessing a purchasing agent created and supplied from a source that has not any other motive to guide it except that of its own interest.

Business and not banking is the primal factor in the progress of a people, hence the banking or money power should be held by the people and be made subservient to business purposes. In short, those who create the goods should control the instrument that gives stability to prices; that preserves equity between debtor and creditor. The people must substitute their own credit for that of bank credit, which they can readily do, and have this national credit so firmly created that the suspension of individuals would not disturb any channels of business except those immediately connected with the bankrupts. The idea that a money panic should occur in the United States because one individual banker failed is about as absurd as that all property should burn because one house was burned.

The periodical financial panics indicate so clearly the internal weakness of our present banking system (if it can be called a system), that it is a stigma upon the intelligence of our business men that they have not established a better one when they have the ballot in their control.

In 1857 and in 1873 the financial panics scattered the labor organizations like chaff before the wind, and will scatter them again when another panic occurs, and there is nothing to prevent in the future what has occurred under the present system.

If labor organizations would take into account that the ability to organize a business establishment is a talent possessed by comparatively few out of the multitude, and when such an establishment is under way its success depends upon the owner getting back

from the public the money he has invested in machinery, stock, and wages, they would see the necessity of providing means that the public can purchase the fruits of their labor. Under the present system, when the banks contract their loans, the public are unable to buy, and the "boss," unable to raise money to pay notes and wages, has to contract work by discharging hands or reducing wages. Nearly all of the discordant relations now existing in so many branches of productive industry have their origin in the declining purchasing ability among the great mass of the public.

Contrast between the labor conditions of 1865 and 1873 should convince labor organizations that the purchasing ability of the public is the great protector of labor prosperity, and if the labor men would intelligently examine into the cause of the prosperity of 1865, and the cause of the great depression in 1873, they would learn that the public had nearly four times the purchasing ability in 1865 that it had in 1873. It was by bank influence upon national legislation that the purchasing power of the people was so abridged, and until the bank power is shorn of its great power labor organizations are only wasting their time and strength.

We must take from the banks the power to issue their notes, and confine them to their legitimate business of dealing, as banks of discount and deposit, with the money created and issued direct from the United States Treasury.

## INTRINSIC VALUE.

THE dogma that Intrinsic Value exists in the so-called "precious metals," gold and silver, has exerted more influence in creating social enslavement of mankind than the exploded and equally absurd dogma of the "divinity of kings."

Anything dependent cannot have intrinsic value, for the word "intrinsic" implies something beyond and above all extraneous influences, and as gold and silver would forever remain embedded in the earth without man's manipulation, their value is as entirely dependent upon the fiat of authorized power of civil government as is the value of the commonest clay.

Brute force can be appreciated and be resisted by brute force, but the syllogisms of error can be so disguised by sophistry that the victims unconsciously become their own task-masters by hugging the chain that enslaves them. This is especially applicable to the conferring upon gold and silver the false attribute of being the standard of payment or debt-balancing agent.

The most potent tyrant in social life is debt, and when men bind themselves to pay what they cannot produce, or that their ability to purchase with their labor depends upon accidental sources—as the opening of metallic mines—they place around their



necks a metallic chain fully as enslaving, though not so conspicuous, as the iron band around the neck of Gurth which proclaimed him the born thrall of Cedric the Saxon.

After we Americans had made our political separation from that harlot of a mother, England, we bound ourselves to her in social slavery by swallowing in one gulp her common law, which is based upon intrinsic value in property, and claims to carry with it the right of governing those who had been robbed of their property. Land monopoly had divided the people into a small-creditor and a large-debtor class; and to prevent the debtor class escaping from debt-slavery, the common law of England made all debts payable in metallic money, which the peasant could not produce any more than he could create land. Under this metallic restriction land monopoly has increased, and the peasant is as enslaved as when the monks and barons held him in military subjection. It is to the adoption of this common law of England that the metallic standard of the United States owes its pretended legality, and not to any direct authority in the Constitution.

Land was too abundant in the United States to admit of a land monopoly as in England, but the metallic standard system has covered more than three-fifths of all of our occupied land with interest-bearing mortgages, which are rapidly accumulating landed property in the hands of a few as in England.

To maintain a certain amount of gold in the vaults of the Bank of England the people are driven to starvation and rioting; and the effort to hoard a stipu-

lated amount of gold in our national treasury is doing for Americans what the Bank of England is doing for Englishmen. The similarity of social conditions in the United States and in England point to a common cause—the inability of the debtor class to escape the burden of interest-bearing debts—and will continue as long as the debt-paying power is denied to productions of industry.

The iniquity of metallic intrinsic value was bad enough when it included both gold and silver, but when silver is denied its former privilege as a debt-payer, the chain of debt enslavement is doubled in power. It is in perfect accord with England's policy to enchain her subjects by every means she can invent; therefore the mono-metallic agent of payment is natural for monarchical England, but unnatural for adoption in democratic United States.

The creditor class of the United States is mainly represented by the national banks, and, as evidence of their unscrupulous efforts to enhance their power over their debtors, we quote an edict issued by a bankers' convention held a few years since at Saratoga, N. Y.:—

*"The farmer is not rich according to the number of bushels of grain he raises, nor is the iron manufacturer rich according to the number of pounds of iron he makes; but both are rich according to the amount of gold these articles will bring."*

The eminent respectability of so august an assembly as a bankers' convention was deemed sufficient authority to give validity to any edict it might promulgate, as not a particle of evidence was offered to

sustain it. Nor can any evidence be offered for such an asinine outrage upon the rights of the debt-paying, productive classes. Stupid and false as this edict of the bankers' convention is, it has nevertheless been the guiding principle of our national financial legislation since 1865 down to the present time, the two leading political parties rivalling each other in their worship of bank-power and the establishing of the gold tyranny.

According to this gold theory not one of the great non-producing gold States has a dollar's worth of value until some gold pedler comes along and *dictates* prices for all productions. There is not a certainty that such a pedler will ever come along, nor do the banks promise he will ever come. The banks do not want the gold pedler to come along, because, in his absence, the necessity of the people will compel them to buy bank credit as a balancing agent between individual debtors and creditors. The banks claim their debt is *honest money*, always the equivalent of any standard of payment, and as long as they are the people's creditors they can maintain their position. But in doing this, the banks lend a club to break their own heads. Educating the people to use credit as a substitute for an absurd arbitrary standard of metal, the people will naturally inquire if they cannot create their own credit upon some permanent data that will avoid the arbitrary fluctuations in the volume of bank credit, and at the same time be cheaper as well as more reliable.

Taking the bankers' assertion that everything is to be estimated by its ability to be exchanged for gold,

we find that from 1861 to 1879 bank debt was not even claimed to be convertible into gold, yet the banks sold billions upon billions of their debt to the people and received many millions of dollars as interest. Tested by the edict of their own convention, all the sales of their debts during that period were barefaced swindles; selling a worthless article to an ignorant and confiding public. The practical evidence that for eighteen years the people transacted business exchanges by use of an agent not laying the least claim to a gold value, should fully demonstrate to intelligent men that the bankers' convention, as well as the principle upon which our national financial legislation is based, are frauds upon the people.

There is a very valuable lesson to be learned from these eighteen years' experience of non-metallic money. Bank debt is based directly upon debt and only indirectly, by intervention of law, upon the property of the debtor, who may, before the maturity of his debt, place his property beyond reach and leave his debt out in the cold. There is, therefore, an uncertain amount of contingent loss in all bank assets. Individual business debts will average at least fifty per cent. of the market value of the merchandise held by the debtor, and as individual business debts form the greatest bulk of bank assets, it is very evident that bank assets do not offer anything like the same security for their debt, as assets based upon only one per cent. of the market value of property itself, regardless of ownership.

The citizens of a republic have a right to pledge

their property for any purpose they may deem advantageous to their welfare. The citizens of the United States taxed themselves to crush a rebellion, and they have an equal right to pledge their property as a substitute for bank debt to facilitate business development.

The property of the citizens of the United States is not stored in public, but in private, individual storehouses, and it is to these individual establishments that public debt must go for redemption, the same as bank debt does. Behind all forms of debt is the redeeming agent, not an inert material, but man with his productive industry, and when only one per cent. of individual property is required, is there not a greater certainty of payment than when fifty per cent. is demanded?

One per cent. on the individual property would be a sufficient assessment to begin the substitution of public for bank debt. WHY NOT DO IT?

Some writers have gone so far as to assert that the Author of the universe made gold and silver comparatively scarce in order that they should be recognized and used as standards. This gross insult to the world's Creator needs not a comment. It is too disgusting for discussion.

Value being entirely ideal there cannot be a standard of value, though law can and does create standards of payment, *i. e.*, legal tenders.

## BUY CHEAP AND SELL DEAR.

To do this profitably requires a true conception of what is cheap. Misconception of the truth, especially when confounding it with low prices, has sent individuals and nations into bankruptcy when they fondly thought they were on the road to fortune.

Cheap is a comparative term dependent for solution on the equitable relation between the productive and the purchasing power of the members of a community. Low prices are the futile attempts of manufacturers to adjust sales to an inadequate purchasing ability in the members of a community. Experience teaches us that when the purchasing power of a people is developed, as it was in 1865, sales of merchandise at apparently high prices prove their cheapness by the large demand made for them by consumers able and anxious to consume all they could get; and experience also teaches us that when the purchasing ability is stunted, by any cause whatever, stocks of unsold merchandise accumulate even when offered at great decline in selling prices.

Purchasing ability being the pivotal point on which values of merchandise depend, it is of primary importance to determine the best way to give individuals their highest purchasing power.

As production and service pay for production and

service, it is self-evident that the more intimate and direct the exchanging parties come in contact the cheaper and more rapid will the exchanges be made. They then mutually buy at the cheapest and sell at the highest value. This apparent paradox is readily explained by the fact that crude articles, the first efforts of individual labor, reach their culminated value at the door of the mill for conversion into form for human use, while the finished article is then and there at its cheapest value. Wheat, cotton, logs, ores, etc., have their highest value at the grist, spinning, and saw mills, and the furnace; and flour, muslin, lumber, etc., are the cheapest at the same establishments. As the serviceable value of articles are not in themselves enhanced by transportation, the closer the converting agent is to the source of supply the more profitable it is for both producer and consumer. It is practically impossible to avoid some transportation from crude to finished productions and back again to the original source of supply, and as the producer of crude materials has to pay the transport cost both ways, it is his interest to have this cost at its minimum. When the farmer can reach the grist mill with his own team he knows exactly what it costs to and from the mill, but when cars and steamboats go and come between the farm and mill he is largely in their power.

When the finished article comes in competition with similar articles made from other sources of supply, the selling price of the finished article regulates the price of the crude article at home. It is therefore of the highest importance to all producers of crude

materials, as farmers, miners, etc., to have the consumers of flour, cloth, and iron, etc., as much removed from competition from other sources as possible. There is not a branch of productive industry in the United States so dependent upon protection against foreign competition as the American farmer, yet stupidly blind to his own interest, he allows himself to be duped by such college quacks as Perry, and Sumner, and some smaller chips from the same block, and by such miserable demagogues as Beecher, Hewitt, Carlisle, Hewitt, etc., and is clamoring to have all restrictions taken from English goods under the gross delusion that England will buy our crude material to the extent that we buy her manufactures, when she has no more idea of doing so than she has of doing any decent act towards humanity.

Let us examine into the advantages so loudly claimed by its advocates. In the first place, by an infernal system of fraud and violence, England obtained possession of the valleys of the Ganges and of the Nile, and by merciless taxation upon the defenceless natives, she is annually increasing her supplies of wheat and cotton from those regions, and in the near future will be independent of any supply from this country unless below the price of Indian slave labor. Spending millions of money every year in facilitating transportation she has succeeded in reducing the price of India wheat so low, that but for the tariff duty on wheat, the American Atlantic seaports would be shut out from our own farmers. With our own home market only saved to the farmer by a tax, what hope has he for the English market where there

is not such a tax, and to reach which he has 3000 miles ocean carriage to pay?

If when wheat is worth one dollar per bushel it requires 20 pounds of flour to pay the freight on a barrel of flour to England, and 20 more pounds of flour to pay freight on the cloth brought back, the purchasing power of the barrel of flour is 160 pounds. When wheat is worth only 50 cents per bushel, the freight to and fro will be double, 80 pounds, making the purchasing ability of the barrel of flour only 120 pounds. That is, *the percentage cost of freight increases as the price of the article decreases*, which should convince any sane man of the folly of striving for a market wherein freight has such tyrannical power, until every avenue of the home market has been filled to the fullest capacity, which is not the case at present. In the English market the American farmer buys dear and sells cheap.

In 1833, at the dictation of the Southern slaveholders, we began the experiment of patronizing English workshops as being cheaper than our own, with the result that every year the purchasing power of American products declined, culminating, in 1840, to such prostration of value that individual, and, consequently, public purses were exhausted; and although we owed not one dollar of national debt we could not borrow the paltry sum of twenty millions of dollars; the cautious money lenders in Europe saw our selling so cheap and buying so dear would only increase the necessity for new loans, as it had already created the necessity for the loan then requested. In 1842 we began the policy of patronizing our own shops, and

directly our purchasing ability began to advance, and in a short time the duties on imported goods filled the public treasury to overflowing, and private purses were enabled to buy comfortable homes. Official reports show that the more positively we determine to make American production pay for American consumption the more anxious are foreign countries to sell us their higher grades of manufactures. In place of the clay-stuffed low-priced muslins they sent us in exchange for our low-priced crude materials, they sent us fine cambrics which our infantile establishments had not yet learned to make. With every improvement of American manufacture our paying ability to purchase foreign luxuries increases. Let those who doubt this statement examine for themselves the export and import reports of the years when we patronized foreign shops in preference to our own, most absurdly called Free Trade, and when we reversed this policy in 1842 and 1861 known as "Protective" years.

The American miller being excluded from foreign supply of wheat has to pay American prices for wheat, provided he has customers sufficient to buy all the American production in the shape of flour. When stocks of flour accumulate in the grist mills the miller can dictate prices to the farmer, it is therefore the joint interest of the farmer and miller to secure customers for their products. The converter of every form of crude material to finished production has to be fed wherever he may live, and it is, therefore, evidently the interest of American farmers to have operatives who cannot be fed by low-priced wheat raised by

Indian slave labor. By stimulating every possible form of productive industry in the United States, and our natural advantages make these almost infinite, the farmer creates the greatest possible demand for his wheat. But when the American farmer advocates that every form of American mechanical or manufacturing industry shall be regulated by English prices of goods made by men fed with cheap Indian wheat, he cannot expect that American labor can pay him higher prices for his farm produce than the English operative pays for India wheat.

In the positive certainty in the very near future of our crude products being excluded from foreign markets, every form of productive industry should be on the alert to increase the purchasing ability of the American people, for they have not any other avenue of egress for their productions. With the exclusion of the foreign market our railroads will lose a large business now in vogue in carrying grain from the Mississippi Valley to the Atlantic Coast for shipment abroad, which must cease unless they exert their influence, by protection to American industry, to give employment to the thousands in our seaboard who are either idle or miserably underpaid, and who would gladly consume more of American food than we have been sending abroad. In fact it is impossible to say who is not directly interested in having his neighbor able to buy from him. The shoemaker knows his neighbor would gladly pay him for shoes for his barefooted children if he had the means. Is not only he, but the tailor, hatter, etc., all equally interested in giving purchasing ability to their neighbors, not by

individual charity or effort, but by concentrated political action compelling national protection against English invasion upon American industry. This form of invasion is a thousandfold more destructive to American independence than any military invasion, for fear of which it is proposed to spend millions of the people's money. Monarchies govern by force, republics by intelligence and equity.

England is a warning example against the substitution of low prices for true cheapness. In her attempts to force sales of merchandise at arbitrary low prices she has crushed the purchasing power of her own people until they are driven to starvation point and present themselves in masses before the Parliament house as proof of their misery. The Cobden Club is doing for England what the wars and court extravagances of Louis XIVth did for France, planting the seed for a social and political revolution, the consequences of which it is impossible to foretell. The mob of to-day may, and probably will, organize into an army in the near future, and organization for right is bound to conquer organization for wrong.

England has disbursed millions of money in outrageous wars upon weakly defensive nations to crush the purchasing power of the people. In India and Egypt the people starve because they cannot afford to consume the food their industry has raised, and see it carried off to England, where the poor English serf is equally unable to consume it. English politicians, including the Cobden Club, call this food cheap; it is low-priced, but how cursedly dear in the scale of humanity.

## SUBSIDIES.

THERE is a strange hallucination with many of our leading citizens that money received for productions sold to a neighbor is not as good as the money received from a foreigner for the same articles. That is to say, if the land west of the Mississippi still remained under the Spanish flag, the present business done with that section of country would be considered as a great increase of national wealth and commerce, but as the people there are under the American flag, and the merchandise is carried to them in railroad cars instead of ships, this great business is counted for nothing, stigmatized as mere home trade unworthy of the name of commerce.

There is also a great howl that the American flag does not float at the mast-head of steamships sailing to Europe, South America, etc. These howlers ignore our great sea-coast traffic from the St. Lawrence to the Gulf of Mexico carried on under the American flag and far exceeding the transatlantic trade. Steamers, schooners, sloops, and barges effect an enormous amount of exchanges, while the daily traffic of a trunk line railway could not be loaded in a foreign steamer under a month.

The nonsense of this mania can be well illustrated in the case of the steamer *Tagus*, that came to this

port a few years since as a pioneer movement of opening steam communication between Philadelphia and Liverpool. There was great praise at the time given in the newspapers for the spirited manner in which our merchants at the Corn Exchange bought 60,000 bushels of grain to insure a return cargo to the steamer.

At that time information was obtained from a reliable importer of European cloths that 60 pounds of cloth of the average quality and price were worth \$150, while 60 pounds of wheat were sent for one dollar, leaving us in debt \$149 for every 60 pounds of imported cloth. If we take the average price of the import cargo at only \$5 for each 60 pounds in 60,000 bushels of wheat, we have a—

Total of . . . . .	\$300,000
For which we sent . . . .	60,000
Leaving us in debt . . . .	\$240,000

If we assume, for sake of illustration, that the steamer's expenses were \$3000 each way, the percentage of freight would be one per cent. on the import and five per cent. on our export cargo, a rate that no low priced article can pay, and at once excludes American shipping.

American exports being lower in price in proportion to bulk than imports, anything like a balance of accounts cannot be maintained unless some of the foreign vessels come over in ballast, or American vessels carrying American productions must return in ballast. Debt cannot be increased without limit.

When we can put \$150 value in 60 pound weight and can find customers we can have steamships for transatlantic, as we now have for coastwise traffic at American prices and among our own citizens.

American steamship owners go whining and blubbering before Congress and the public that even if the steamships were presented to them they could not run them. Ex-Governor Hoyt made such a statement in the Academy of Music when lecturing on Free Trade, but the audience didn't scare worth one cent. In fact every thinking man knows that if a foreign vessel never entered an American port we would be much better off.

The idea that toting goods to and fro within the same zone adds to the wealth of either party may do for a simple minded priest like Fénelon to teach a verdant youth like Télémaque, but the fact that such trade cannot be maintained without subsidies or sacrifices proves the error of such doctrine. Especially is this true as regards articles of food, the great staple of American exports. Every land can feed its own population, and England is not an exception, but being anxious to starve out her agricultural laborers, especially the Irish, she is steadily decreasing her area of arable land, with proportionate decrease in her home supply of food. England has created a great rivalry among other nations to supply her with food, which she consequently is getting at bottom prices. She knows that every pound of food imported into England helps to dig an Irishman's grave, and these graves she intends to dig until the last Irishman is either dead or expatriated.

England subsidizes nearly all, if not entirely all, of her first-class steamers, and with such subsidies buys the right to divert them to her own use; to make them war transports at a moment's notice, without the slightest regard to mercantile demands. This subsidy maintains a navy much cheaper than by keeping government vessels in commission.

As our government is not run upon piratical principles like England, her subsidy policy is no model for us.

True commerce is between different zones with variety of productions that can be exchanged with mutual advantage. We have between our own national limits the ability to produce almost every article pertaining to human luxury. Why not develop a true commerce across the zones on American soil, where American production paying for American production keeps us out of debt to foreigners?

Claimants for subsidies to maintain a mercantile navy for foreign trade point to the fact of our land subsidies to internal railroads. Whether these land grants were wisely or foolishly done, the effect has been to develop the power of association within our own jurisdiction and tend to a concentration of political power backed by intelligent freemen, whose moral strength will crush the pigmy hireling armies of monarchical Europe. The profits of the foreign carrying trade are presented to show what we lose in not having a foreign mercantile navy. Do they ever try to show the profits of the home carrying trade? Does the balance-sheet of England's commerce show that her people are getting richer and happier by her



carrying trade? We cannot follow her example without earning the same reward.

There is a clause in the revised statutes of the United States providing for ten per cent. differential duties on imports in American bottoms, which clause has been abrogated in our treaties with foreign nations, and now we are asked to put our hands in our pockets and pay subsidy to vessels to bring us in debt. Abrogate the treaties and enforce the ten per cent. act, and whatever commerce other nations may want to do with us will be done in American ships, provided we keep up our duties to a protective point.

There is much stress laid upon the value of the South American markets, but for what reason it is hard to imagine. An ignorant, priest-ridden people living in a climate requiring a limited supply of clothing, with an almost spontaneous supply of food, few diversified forms of manufacture, and they of the most common order, what have they got to pay us for what we send to them?

Every South American government is in financial difficulties, a sure indicator of individual poverty. And the Buenos Ayres papers' reports of the trade with England fully prove South American poverty. They lately said that imports from England amounted to twenty-eight millions and the exports were only ten millions, causing a drain of eighteen millions of gold, forcing the banks to suspend coin payments with utter prostration of business. A situation resembling our own in 1837 from our attempting to find foreign markets for American industry by importing English manufactures.

Commerce cannot be done so cheaply, nor so equitably with foreigners as among ourselves, and until our home channels are filled, it is positive stupidity to exchange the cheap and certain for the expensive and uncertain. We have in our midst a large population now stinted in their purchasing ability, which, if properly developed, is worth more than any foreign market can ever be.

England has expended millions of money to open commerce with Turkey and Egypt. What is the value of English trade with those countries now? If England had spent ten per cent. in wages to her own operatives that she spent in piracy upon comparatively defenceless nations, her manufactures and her people would not be in the wretched condition they are to-day. With an equitable system of wages to our own great body of consumers our home market would always be in demand equal to the supply.

If foreigners want our goods let them come after them and pay us our price, but when we have to solicit new markets for sales of our goods the sacrifice is on our side. If we wish to compete with England in other markets we must sell on long credits, for that is her policy in selling, and collect the bills by an army. Shall we imitate her brutal policy?

If we wish to extend custom for our manufactures, let us take a hint from the large retail stores. They will send even a trifling purchase several miles distant from the store and not make a difference in charge if the customer takes it with him. The delivery is charged in the general expense account and not specific upon the article. Now, as every dollar of

new trade brought to Philadelphia ramifies its influence through every individual channel of business, let every citizen give his equitable mite to a fund controlled by representatives of Philadelphia industry. With this fund let the committee get one of Cramp's first-class steamers, and then announce to the Brazilians:—

"Philadelphia manufactures delivered at R'io Janeiro at Philadelphia prices, and coffee to the full amount of purchases will be taken in payment."

Coffee is sold in every grocery store in the United States. An announcement that "Brazilian coffee would be delivered at Brazilian prices" would make Philadelphia the cheapest market for coffee, and attract the attendance of new customers. This would be the true and cheapest form of a subsidy, but it will not be considered for an instant as long as Uncle Sam is willing to foot the bill. Of course other cities would follow this experiment if once adopted by Philadelphia, and the petty insignificance of the South American trade would soon show itself when divided up.

Toting merchandise around the world does not improve its quality, but travel improves human intelligence. Passenger and not freight steamers are wanted, and these will be supplied when the demand comes, for personal comfort and safety will be paid for.

## LAND.

To the isolated man with nothing but his own inadequate physical abilities, land is a most inexorable tyrant. It will not of its own free will give food or shelter, but, like all other tyrants, it will yield to well-devised organization. North American Indians, numbered only by thousands, led a half-starved precarious existence while they had possession of the virgin soil of the same domain that now supports millions, through the powers of association, in affluence. The white man was not physically stronger than the Indian, but he brought with him the representatives of centuries of association in the axe, spade, and plow, with which to conquer the land, and the rifle to give him meat to support life while land took its own time to perfect the grain. In fact, a loaf of bread, the representative panacea for pauperism, is the product of a large investment of pre-existent capital which must be supplied to the pauper to enable him to be self-supporting, even if he has the ability to become so with the aid of land and the pre-existent capital presented to him. Agriculture is not automatic to be used like a machine, but, even in its crudest forms, requires skill and experience not generally possessed by handicraft workers. It is, therefore, only adding insult to injury to tell skilled

mechanics and artisans, thrown out of employment by quack financial legislation destroying the instrument of association, to "go West" without either capital or experience. You might as well give a man a chunk of iron and tell him to convert it into watch springs, as to give him a plot of land and tell him to make a loaf of bread. Both watch springs and bread can be made by properly organized association of other industries, and it is this organized diversity of industries that gives value to all crude forms of nature's elements. Isolated cultivated land pays high interest to obtain command of the instrument of association, money, which it would not be required to do if value existed in the land itself, and was not dependent upon association.

The plausible slang of sentimentalists (and *engagé* of the Cobden Club), *e. g.*, Henry George, and the ignorant ravings of socialistic would-be leaders, only mislead public attention from the true remedy against enforced idleness on some individuals, and other society evils, which all spring from defective associative arrangements.

*Land is not the source of wealth*, it is only the *vehicle* by use of which man develops a product existing in ideal form before putting a spade in the ground. Land is the connecting link between man's necessities and supply, as money is the connecting link between man and his fellow-men; both land and money should be protected from centralized monopoly as existed when the monk and baron owned all the land.

Land ownership is considered a strong element of conservatism; that the homestead incites a spirit of

self-respect which tends to moral strength and good citizenship. That this is partially true cannot be denied, but land ownership is not so great a blessing as is claimed for it.

Fixed land tenure has a strong tendency to convert conservatism into mud-turtleism; to make the introduction of new ideas and new principles very repugnant. If we examine the intellectual condition of provincial France, where the land division is more developed than in any other country in Europe, we do not find an educated progressive population, nor one holding a higher moral standard than is to be found in other lands. How far the anti-progressive spirit of the Roman Catholic Church, so long dominant in France, together with the centralizing policy of French political rulers are responsible for this stagnated, mud-turtle condition, the reader must judge for himself.

From an official report of an elaborate investigation made under the joint efforts of public and private examiners, the physical condition of the French peasant is not one to be envied by the peasantry of other countries. This report shows that the combined efforts of parents and children in cultivating their little patches of ground by hand labor gave the family a precarious animal existence with little aspiration for intellectual improvement, and with as little opportunity to gratify it. The consequence is that this waste of human energy makes even vegetable food very dear, while even a taste of animal food is a treat only for high days and holidays. Household furniture and Sunday clothing descend from generation to

generation. Greater diversity of human employment with a concentration of little patches of ground into fields large enough to substitute the plow and reaper for the spade and sickle, would enrich the poor peasant with more and better food, also a better supply of furniture and clothing.

Across the channel from France we come to the other extreme, a villainous centralization of land ownership into the hands of an unscrupulous oligarchy intently devoted to destruction of food-producing land, and converting it into mere pleasure grounds, so that no one shall exist there but house-servants, and mill operatives, and miners, to serve and produce wealth for the land owners.

Land is yet too abundant to feel the restraint of monopoly in the United States, and the people are earnestly discussing the best means to prevent its being monopolized by corporations and aliens. A certain amount of land is necessary for the profitable use of machinery and cheapest production of food to avoid French errors, but beyond this amount individual possession should be strictly limited to avoid the curse of the English system.

Combined action on the part of the wool grower, the cloth weaver, and the tailor, creates a coat which is bought and worn without any idea of tyranny on the part of the wearer against the tailor, who has paid the other two for their share in making the coat, but when some one else pays mechanics and others for a building which shelters both the man and his coat, then this house owner becomes an outrageous tyrant when he asks pay for the use of the house, in the

opinion of some who may wish to occupy the house, although such person has not contributed one iota of his labor toward constructing the house. If these discontented anti-renters were asked to give the result of their labor for nothing they would bitterly complain of the injustice. It is not considered any injustice to pay for a house and get fee simple possession by a parchment deed, but to get actual possession for a specified period by paying a percentage on the amount demanded for a perpetual title of ownership, then this percentage is called robbery.

All investments of money capital, sooner or later, sink to one common level of profit, and house rents, as a general rule, are rather below than above this level. The true cause of complaint is that the renter does not receive that just compensation for his services, which, if he did receive, would enable him to pay rent as cheerfully as he paid his tailor or shoemaker.

There are thousands of our citizens perfectly able to buy and own their homes, but they prefer not to permanently invest in bricks and mortar, preferring stipulated periods of ownership by payment of rent, so that they can vacate when improved and more convenient houses are offered, or when business considerations may make a change of location desirable. Change of business channels sometimes leaves property so high and dry that it is more burdensome than profitable.

Until we recognize that man is the only source of wealth, and that all atoms of nature, be they metallic or earthy, are dormant and valueless without the im-

press of human intelligence, we will never be able to establish a true republic.

Every scientific development, as electricity and telephony, giving man greater command over the forces of nature, opens new avenues for individual activity in higher forms of thought, which will assign all crude materials pertaining to the physical to their proper station as obedient accessories.

Man was never created by a fiat nor as a finality; he is the developed spirit of every atom of nature that preceded and now surrounds him, and this developed humanity is progressing as rapidly to-day as ever in the past, and will continue so in the future. With every onward step the grosser forms of nature sink in value, and land among the rest.

## LABOR.

EXPRESSING Labor as any and every act useful to the community, be it mental or physical, it is impossible for legal authority to classify labor any more than it can classify citizens. Whatever may be the names by which citizens designate themselves for business convenience, they are all subordinate to the title or name of citizen.

The instant that any form of labor is made a legal specialty the whole superstructure of republicanism is shattered. A citizen has not a right to demand any act for himself that he is not willing to grant to every one else under similar circumstances. Violation of this evident truth has brought a variety of paupers to the doors of legislative halls, asking alms in the way of special privileges for themselves. Bankers asking, and unfortunately obtaining, the privilege of converting their investments in United States bonds into a currency which is denied to other forms of investment. Ship owners ask for subsidies to pay freights on vessels to lessen the cost of importation and be better able to compete in price with American industry, under the disguise or deception that such subsidies would extend American commerce.

Copying these iniquitous examples, American citizens engaged in physical employments have organized

to demand special legislation for themselves as a class, thereby acknowledging the correctness of previous special legislation, which has hitherto been a constant theme of complaint in what are known as Labor Conventions. Law is dependent upon the power behind it, and the moment that law is invoked for labor it is only a question of power whether the laws prevalent under Henry VIII., of England, shall not be enacted again. If law had the power to limit a man to the condition in which he was born, as the Chinese law, then there would be some excuse for such action, but being free to develop his individual capacity to the best of his own judgment, the true policy of every one dependent upon his own physical exertions is to demand repeal of all present privileges, and the enactment of laws equally beneficial to each and every citizen.

Suppose Federal authority could collate a perfectly true statement of every penny of wages paid to each man, woman, and child in the United States, what suggestions for legislative action could be deduced from such a table? Massachusetts has the reputation of making the most elaborate labor statistics, and has made some improvement in factory regulations which could have been as well done without the Labor Bureau as with it. Some statements have been made showing how much, or rather how little, a family can subsist upon, just as an agricultural society would discuss the fattening of a pig.

Some one will point to the benefits accruing from the Agricultural Bureau. What are they? Can any valuable suggestions be deduced from columns of

figures giving the number of bushels of cereals, etc., that were produced the previous year? Will such reports influence the weather? Will they have any effect upon planting?

What we really want is a Bureau of Information, where the relations between man and society can be investigated and the causes made known why at certain periods industrial prosperity blooms over the land, with harmonious relations existing in workshops and factories; why, at other periods, idleness, poverty, crime, and discordant relations are rampant. This desirable information will never be obtained by legislative inquiry so long as legislation is based upon the English idea of man being a chattel. It is this chattel legislation against which Knights of Labor and Trades Unions are fighting, but for want of proper study of the subject, these organizations have never been able to effect permanent improvement. The panics of 1857 and 1873 are liable to occur again, as the same causes are as actively at work to-day as they were then. In 1857 and in 1873 labor organizations were thoroughly prostrated, and the members had the opportunity of learning *that prosperous labor could maintain labor organizations, but that labor organizations in themselves could not maintain prosperous industry*. The agent for good or evil is outside of their organization, but very few of the members take the trouble to find out where or who the agent is. In 1857 I had frequent opportunities of asking intelligent skilled American mechanics, if they and their bosses had any disputes. The answer uniformly was no! That the boss would gladly give them work,

and they would be glad to accept it. Then I asked, Have you attempted to ascertain the cause why American citizens anxious to be employed had to remain idle? Invariably the answer was no! Some blamed one thing, and some another, but not one could give any good reason for his opinion. They repeated what they had heard others say. It is somewhat better to-day with some few, but not with the great body of employés.

It does not appear to have entered into the heads of the railroad employés in the West to ask why a single individual, as Jay Gould, had so much power over them. He had not an army to back him, yet he could control their time and wages. The very fact that arbitration was demanded was an act of servitude that no American citizen should submit to, although arbitration might be available as a temporary expedient for the time being, owing to previous negligence in not preventing Jay Gould, or any other man, from obtaining such power over them. Every one of the strikers, if he had had equal talents and opportunities, would have done just as Jay Gould has done, taking advantage of a false system of financial legislation which enabled him to buy bankrupt railroads for comparatively nothing. Killing Jay Gould will not kill the system, nor will the change of ownership after his death change the situation one jot. Go to the ballot-box and boycott the Shermans, Morrills, Morrisons, Carlises, Beechers, and college professors, the authors and advisers of the system that prevents each man from being the servant of his

own arbitration, and makes him dependent upon that of another.

If citizens, calling themselves "labor men," would devote one-tenth part of the time to study of economic laws as they do to bellowing in so-called "labor conventions," and make their convictions felt at the ballot-box, they would have small cause of complaint; but a constituency ignorant of economic laws will have representatives equally ignorant with unwholesome results. It is very safe to say that not twenty men on the floor of Congress have ever read a work on the best means of enabling man to associate with his fellow-men, yet they draw salaries as if they were first-class workmen. A machine shop cannot be run with unskilled hands any more than a government can be run with an ignorant constituency.

It is very common to speak of strife between labor and capital, but such talk is incorrect; there is no strife between labor and capital, the strife is between labor and gold money, or money pretended to be based upon gold. The proof of this is shown by the harmonious relations existing in 1864 and '5, when we had a labor money, not dependent upon gold, and before those traitors to American industry, McCulloch, Sherman & Co., began their warfare against labor money, by withdrawing it from circulation, so as to prevent it from demanding gold, and then calling such contraction a "Resumption of Specie Payment." From the date of the enactment of the so-called Resumption Act, business troubles began, culminating in 1873 in the total prostration of labor. The coining of silver with issue of silver certificates in 1878, gave labor a

start again, and it was improving rapidly when Senator Morrill and Representative Wm. D. Kelley gave it a stunning blow on March 3, 1883, by giving English manufactures increased ability to compete with American labor by reducing duties on imports.

Restore the condition of the currency to what it was in 1864 and '5, and tariff duties to what they were prior to 1883, and Jay Gould would not be of any more account than any other citizen, and the railroad companies would be offering acceptable terms to the very men who are now vainly endeavoring to secure even a pittance. Election of Congressmen pledged to restore the currency and the tariff to their former status, is the only possible means to place labor in an independent position. This coming autumn is the time for action, but it must be commenced at once, so as to be ready to strike in October at the ballot-box.

There is not any use for universal suffrage if it is not applied to useful purposes. What other motive than security for social happiness can men have for going to the polls?

Mr. Powderly makes a fatal error in advising non-political action. All the labor troubles of the day are effects of neglected political duties, and the sooner the error is retrieved the sooner will come the remedy.

A great error is made by many who have become skilled in some branch of mechanics, in believing that their skill is a finality to remain in the same condition during their lifetime, though they see around them continued advancement in all other branches. The world is ever on the alert for new ideas, and he who gives them wins, while the others remain to be

"hewers of wood and drawers of water." No man, whatever be his occupation, should ever consider himself out of his apprenticeship. Technical education is of immense importance towards developing new ideas, provided the students will consider every new fact the same as they would a new and improved tool, as an instrument for still better work.



## WAGES.

EVERY act useful in a community is justly entitled to compensation, whether it be the act of an author, artist, manufacturer, distributor, or of manual labor. This compensation we designate as wages, and as it is through disbursement of wages that every dollar of money finds its way into circulation, the importance of a proper understanding of this subject cannot be overestimated.

The value of services are not only measured by the community in which they are performed, but the payment is also made by the community, because, behind the metallic or paper certificate given in acknowledgment of a service rendered, stands the ability to give value in some form of productive industry for the certificate. It is evident then that the demand for productions and services increases with every increase of wage certificates, and also that the demand slackens with decrease of such certificates. The certificates or money do not pay anything of themselves.

Much time and space have been devoted to comparison of wages as expressed by money, but all such discussions are mere windmill fightings. What other nations disburse as wages is no criterion for an American standard of wages. We want men, and not mere human machines, and we must have them, or else abandon the universal franchise.

The right of voting implies the duty of thinking, to do which a man must have healthy, physical, and mental conditions. Men and their families must be able to procure wholesome food and eat it in well-ventilated domicils; not to be given as charity, but as just compensation for their services. Unwholesome food and illy-ventilated houses disarrange brain and stomach, and create that unnatural desire for alcoholic or other stimulant, which brings the "sample room" and "beer saloon," with entrances for "ladies," into existence. Demand always comes before supply, and it is the desire for rum that opens the saloon, and the best patrons of them are the lowest priced wage workers. This can be readily accounted for. Every human being has an intuitive desire for social enjoyment and amusement to relieve the drudgery of daily toil. The low-priced wage worker is unable to gratify any refined aspiration by hearing good elocution or good music, but must seek such as his few pennies will buy, and rum offers the most enticing reward. The best saint on earth cannot resist the desire of stimulant, if he is forced to physical exhaustion day after day, with no prospect of relief except by a ride in the coach that does not bring passengers back, and if these miserable quacks, who go snivelling around with debauched informers to find some poorly paid and over-worked human being who had bought a glass of beer on a Sunday, would study into cause and effect, and if they were really honestly in earnest (which is very doubtful), they would find out that well-earned homes and leisure to enjoy them are the best antagonists of rum mills. Such homes and

leisure must be provided, sooner or later, and the sooner we begin, the sooner will we begin to get rid of almshouses and prisons.

Official records show that in periods of comparatively well paid wages, the criminal record is the shortest, and the prisons most untenanted. This is in accordance with natural law. Man is the apex of all of Nature's mutations of this earth from chaos to the present condition, and with every advancement his aspirations expand. If these aspirations are checked by too severe a struggle for physical existence, he retrogrades towards the animal; but if he is surrounded by proper conditions, he advances towards the spiritual, and away from the animal.

But independent of the rum question, low wages are a curse to the whole community. Low-priced wages necessitates too close quarters for living, which, in connection with poor food, generate disease whose germs find their way into the homes of the more fortunate, where every sanitary precaution is observed, except that of keeping healthy the home of his less fortunate neighbor.

Many employers decrease their wages on the false assumption that such reduction is added to the profit, but those who study this subject find that sales not only decline in price, but also in bulk with every reduction of wages, and with a steady course towards closed mills and bankruptcy. The percentage cost of selling and distributing manufactures increases with the decline of sales, which more than balances the reduction in wages.

Every manufacturer is himself a wage worker with

the public as his paymaster, and as the operatives in his own establishment are typical of the community, he cannot fail to see that their ability to purchase is curtailed by the reduction of wages, which must run its course through all other business establishments. In fact, reduction of wages is similar in effect to bank contractions of discounts.

Muscular energy is one of the most perishable articles owned by man. A day once wasted can never be recovered. It requires double pay for a working day to pay for the idle day, which men should well consider before they enforce weeks of idleness upon themselves for a paltry advance of ten or twenty per cent. in their wages, and which may last only for a short time.

There are some inconsiderate people, arguing from assumptions and not from facts, who contend that the rate of wages has not any influence upon the welfare of the manual laborer. They say that high wages cause a corresponding advance in the price of articles consumed, and that the month's wages will not buy more comforts than when wages were lower. The fallacy of this absurd assertion is manifest when we consider that the cost of the plant—building and machinery—and also the charge for interest, remain the same under high as under low wages. In addition to these items there is the fact of the difference in the percentage of cost upon goods manufactured by the machinery running full time (always the case under high wages) than when the same machinery runs only part time. The percentage cost of distribution of the goods also declines under large sales, for

a clerk can make an invoice and bill of lading just as readily for two cases as he can for one. With large sales the manufacturer makes a *larger amount* of money, with less percentage of profit, than he does with slow sales and a higher percentage of nominal profit. High wages bring more money into circulation with a corresponding increase of *cash* business and diminution of individual credit—that great drawback upon prosperous business.

In 1864, before Hugh McCulloch began his infernal contraction of the currency, individual business notes were very rare, as there was plenty of money (good, honest Greenbacks), and business transactions were cash. Comparatively high wages prevailed, and employers and employed were as polite and complacent with each other as bride and groom.

When the Boys in Blue had saved the country and were returning to their workshops, which they had left at their country's call, there was just as much need for money to pay these men in their workshops as it was to pay them on the battle-field. But before they had fairly rested, the order came from the National Treasury, "Make tramps of these soldiers; they crushed black slavery, and established freedom. I will make both whites, and blacks slaves by withdrawing their means of earning a livelihood." These were not the words, but they express the sentiments of those who controlled the financial legislation when they funded current securities used as a circulating medium, and began withdrawing the Greenback. What are the strikes to-day, but embryo revolutions against metallic money slavery! The aim of the strikers is

in every way commendable, but their plan of warfare is not well chosen. It is only through the ballot-box that wrongs can be corrected.

There are some manufactures in our midst so closely pressed by English low-priced wage-made goods (thanks to Morrison, Morrill, and Kelley), that they cannot exist except by close approximation to English wages. The only advantageous strike the men in such establishments can make is against the Tariff Act of March 3, 1883, which laid the foundation of our business troubles.

But, again, there are other investments entirely independent of English competition, whose plants are several times more valuable than their original cost, and daily increasing in value by growth of population, who have not the slightest excuse for their brutal enslavement of their employés. When the chartered privileges of our street railways are taken in account current with the accommodations offered, we cannot shut our eyes to the great swindle they have perpetrated upon the public, and, when in addition to this, they treat the unfortunate human beings, whom circumstances have compelled being their employés, with a cruelty unequalled in the days of Uncle Tom, not only the employés, but the entire public should rise *en masse* and annul the contract so shamefully violated. There is not a shadow of excuse for these companies making men work twelve hours a day for two dollars, and liable to discharge at a moment's notice without cause or appeal.

It is only through a positive system of high wages, guarantied beyond change, that shorter hours for

labor can be attained. The great body of the manual laborers are just above the poverty line, their homes are devoid of refined comforts to which they all aspire, and for which they will work as long as their strength will permit, regardless of hours. The constant arrival of immigrants whose worldly possessions are very limited will resist all attempts to limit their working hours until they have secured home comforts.

Neither competent wages nor shorter hours for work, with educational refinement, can ever be attained without complete exclusion of English degraded labor competition, and a full supply of money based upon productive labor issued directly by Congress.

### THE SOCIAL ARRANGEMENTS OF A PEOPLE MUST HARMONIZE WITH THEIR POLITICAL PRINCIPLES.

FOR want of attention to this important truth the American people find their ideal republic so closely resembles monarchical countries in regard to individual conditions, that it is very difficult to tell wherein the two systems differ, except in names of public authorities. The antagonism between individual interests is as strongly marked in the United States as in England, Germany, Belgium, and other monarchical countries in Europe. Class divisions of society regulated by money are as strongly defined in the United States as the titled distinctions are in Europe.

Is it not time to correct this evil?

The real, vital difference between monarchical and republican institutions consists in the social arrangements much more than in any political dicta. An Englishman can growl at his Queen and criticize the action of his Parliament with as much freedom as an American can criticize his President and Congress, and public sentiment in England can influence legislation there with as much force as it can in the United States, though not quite so quickly. With a limited franchise an Englishman has as much political power as an American has with universal suffrage. It is

very evident, therefore, that it is in the social arrangements where the oppressive power is hidden and not in the political.

When our ancestors abolished primogeniture in regard to kings and property, and gave every man a voice in the management of public affairs, they very naturally concluded that every bar to human prosperity and happiness had been removed. Peace had scarcely been concluded between England and America, before the crushing effect of England's social system became so manifest in the United States that the six years following—1783 to 1789—are recorded as one of the most distressful periods of American history. It was to avert the curse of the English system that called the new, our present, Constitution into existence. Every time we change the policy adopted by our ancestors in 1789 we suffer the evils endured during the previous six years. In spite of this historical evidence there are persistent fools in and out of Congress clamoring to reinstate the sufferings of past periods.

Why should the social arrangements of a republic differ from those of a monarchy? Simply because different conditions of society are demanded.

A monarchy can only be maintained by disintegration of the people, having several grades or classes competing with each other, and a small favored class, closely allied to and supporting the throne. Disintegration is not enforced by military power, but by portioning to each class a share of the annual productive earnings in such a manner that the aristocratic governing class shall revel in luxury, while the ob-

jective class are at the starvation level, or barely above it. By the annual productive earnings it is not intended to express the amount brought yearly into the royal treasury, but the actual amount of food and manufactures produced by individual industry. The increased value given by manual labor to crude material converted into finished merchandise is so frittered away by interest and taxes, that only a pittance is left for the worker. So limited is his purchasing ability that in the cloth manufacturing districts—where Morrison, Carlisle, Beecher, etc., say cloths are so cheap—the poor weaver lives in rags. This condition cannot be otherwise where ten per cent. of the population get 85 per cent. of the annual earnings, and 90 per cent. of the population get 15 per cent. of the annual earnings.

What are the social arrangements whereby this 85 and 15 per cent. division is made?

In the first place, England prevents association among the subjective class by keeping the instrument of association, money, beyond their reach. Not having paper-money of less denomination than twenty-five dollars (five pounds sterling), all individual exchanges must be made by metallic money (of which the entire kingdom cannot produce a single ounce), and consequently are limited to the supply of metallic money received from abroad for property in the form of merchandise sent out of the country. Property owners, whether of land, machinery, or manufactures, have, therefore, the entire control of the distribution of money among the landless producers of merchandise wealth; and, as the more degraded and igno-

rant these unfortunate victims can be kept the more contented they will be, it is the interest of the property owners to limit the supply of money to the minimum point. We had a similar state of affairs in the old slave States of the South. The slave owners controlled all Southern products, and it was through them that dribs of money found entrance into the pockets of the poor white men, who worked little patches of ground, and were unable to send their little bundle of cotton to the North. Abolitionists wondered how it was that a small percentage of the Southern population, as the slave owners were, could hold the whole mass of white men in such terror. "Cotton was king" because cotton gave control of money in the South. Control of money inaccessible to the people supports aristocratic institutions in England as it did chattel slavery in the old South. Must we not pursue a different policy if we wish to maintain republican institutions?

Disintegration, or antagonism of interests, being the support of monarchy, its opposite, concentrated unity of citizens with equitable individual interests, must be the corner-stone of republican solidity and strength. Instead of merely getting the results of manual labor, as in monarchies and states with chattel slavery, we must have each and every individual ability developed to its highest capacity, or power, through education and public assistance.

In the first place, we must see that each man has a sufficient supply of wholesome food to be eaten in a well-ventilated domicile, and must not be so physically exhausted that he craves animal excitement by use of

alcoholic stimulants. His work must not exceed the limits of healthy exercise, the safeguard of a good mental condition.

With these surroundings the individual can take care of himself, but many will ask, How are you going to "bell the cat," to give every man such a home? It cannot be done in a day, and it is not desirable so to do it. All social changes to be beneficial must be gradual; the individual must grow with the change. But the idea is not so Utopian or impracticable as it appears to the unthinking devotee of old customs. In the first place, decrease the cost of money and transportation to the lowest limits, by cancellation of useless debts, and by development of the home market, as has already been suggested. If these fail to do all that is necessary, make periodical additions to the pay of operatives. Let everything be done upon a settled plan, gradually, but permanently, so that it cannot be disturbed by ignorant demagogues who may swindle themselves into legislative halls. Do not fret about prices being advanced, as long as men are advanced. It is men that republics want and must have, and if it requires exclusion of low priced foreign products, exclude them, but there is no reason for excluding voluntary immigrants who want to identify themselves with our institutions, for every such immigrant will be a consumer to the full extent of his productive ability. Imports of contracted labor at European standard of prices should be treated as felony, but the turbulent behavior of those who have been imported will most likely cure this evil and prevent further importations.

It is cheaper to pay prices insuring comfortable homes than it is to pay English prices and have English prisons, almshouses, poor-rates, and an ignorant, degraded population. Poor food and unhealthy homes produce diseases that are not confined to their own locality, but send the germs of malaria that enter homes of the more fortunate of our citizens who have made every sanitary precaution for themselves, but neglected to preserve their neighbors from interfering with him.

There is in the minds of many, especially the creditor class, a holy horror of idle money, but who have not the slightest anxiety or care about having idle men in the community.

Idle money is harmless, but idle men are both dangerous and expensive, and until every man is fully employed there is not any danger of an excess of money. When such a phenomenon occurs as a surplus of money, which has never yet occurred, it can be put away for the time when the progressed community will want it, like the farmer keeps his Sunday carriage, while he rides in his wagon during the week.

There is another bad feature in our social system that must be abolished—taxing industry and rewarding idleness. For illustration. Two men take up a piece of public land, the one improves his until the district assessor puts it on the taxable list of properties, but the other one develops his land so little that it is scarcely worth taxing, though the idler receives equal legal protection with the industrious one, and the latter, in consequence of his industry, has to pay

taxes for protecting the idler, who is unable to pay anything. The assessor should say to the owner of the developed farm: "The government will lend you its credit to half the assessed amount of your farm, in recognition of your having increased the productive wealth of the nation, but as public expenses have to be provided for, a tax will be levied upon the loan in lieu of any claim for interest. If you continue to increase the value of your farm, there will not be an increase of taxation, as the government only asks compensation for services rendered *by* it and not for services rendered *to* it."

With the aid of this loan the industrious man can, by purchase of improved machinery, etc., lessen physical fatigue and command that leisure which stimulates mental improvement. He has a comfortable home which the idler cannot fail to contrast with his shanty; knowing that his reward will be the same for similar service, he is induced to convert idleness into productive industry, to his own benefit as well as that of the community.

Because a thing has not been is not a reason why it should not be. We are surrounded with discordant conditions produced by errors which must be harmonized by truthful measures.

## LIQUIDATION OF BONDED DEBT.

It is computed by competent authorities that more than three-fifths of all the improved land in the United States are under bond and mortgage debt, bearing from four to ten per cent. annual interest. In addition to this specific pledge we have Federal, State, and municipal bonds, pledged upon all forms of property, real and personal.

### *Are these Debts to be in Perpetuity?*

An examination into the origin of the mortgage debt upon land discloses the fact that such mortgages were given by individuals to obtain possession and control of definitely defined portions of land, which at the time had not a representative equivalent value in any form of debt-paying agent. Land thus became monetized and entitled to draw interest as money. Many of the original mortgages have been cancelled; but as the debt-paying agent has always been less in amount than the debts due, every such cancellation was only a transfer to some other property by another individual. The gross amount of debt first incurred has not been decreased, and under present arrangements there is not the slightest prospect of its ever being cancelled.

Are not such mortgages but a continuance of land

feudalism in a more subtle, but not less oppressive, form than the old one of manual or military service? The first mortgagees of this land held their title by virtue of royal warrants precisely as the Norman pirates obtained their titles under William the Conqueror; but as the founders of our republic accepted the situation, we must do the same, and acknowledge the validity of present titles; but accepting the errors of the past does not preclude the right to correct them in the future.

Law and custom having for more than a century sanctioned the monetization of land as a means of creating interest-bearing debt, has not law an equal right to monetize land to pay off the debt?

It is utterly absurd to assert that mortgage or any other form of debt, has a right to claim payment in any material other than the material obtained by the debt. A return of the land has at all times the right to cancel the mortgage. As every debt is created in obtaining land, production, or service, the debt can equitably demand payment only in the same material or equivalent service. This assertion is thoroughly demonstrated by the actual practice in our daily transactions, where one form of debt balances another form of debt. A man becomes a debtor for a pair of shoes, and he gives the shoemaker a mortgage given by a tanner, hatter, tailor, or some other member of the community, and his debt for the shoes is cancelled.

If the original mortgagor had given his feudal creditor one thousand mortgages of one dollar each, instead of the one mortgage for a thousand dollars, he would



not have increased his debt to the extent of a single cent, and each one dollar mortgage would have as good a security for its debt face as the thousand dollar mortgage, with the additional advantage that some of them could be redeemed by the debtor's productions or services which otherwise would be lost.

It would not be practical for each individual to mortgage his own property, production, or service with which to cancel his debts, but the united voice of the people can authorize its National Congress to issue mortgages in denominations convenient for individual use, based upon and redeemable in any or every form of property, production, or service within the jurisdiction of the United States.

As it is law that enforces obedience to the terms of the mortgage, should the debtor default, so is it law that can enforce redemption of the debt issued by public authority, but experience proves that our last issue of government mortgages, known as Greenbacks, were most greedily sought after by the people for redemption by their production and services. It was not necessary to ring a sheriff's bell to make sales to redeem Greenbacks, as is the case under mortgage debt, when there are not Greenbacks to represent it. Every man was his own sheriff.

Legal authority to enforce the payment of debts carries with it the duty of providing a supply of a debt-paying agent, in default of which our States have several times enacted stay laws to prevent excessive sacrifices on the part of the unfortunate debtors. This plan gave temporary relief to the debtor, with great damage at times to the creditor, who was thus

prevented from paying his debts. The reason why legal authority does not supply the means to enable citizens to obey the law will be found in the article entitled "Intrinsic Value," where the creditors of the people claim that gold is the only representative of value and consequently the only legal debt-paying instrument. As long as legal authority obeys the banker's edict there remains but one honest duty on the part of law, to abolish all decrees for collection of debts, and let the debtor and creditor fight it out the best way they can. Law is bound to protect the debtor as well as the creditor which it fails to do today. Protect neither or both.

The steady increase in the volume of bonded debt in the form of car trust loans and other bonds has arrested the attention of some of our more thoughtful and intelligent citizens, but the evil can only be cured by the people as a "committee of the whole," instructing their legislators to supply a sufficient amount of money. *Every dollar of interest has to be paid before one dollar of wages is paid*, so the great body of industrial producers are directly interested in reduction of interest-bearing debt, and until they accomplish some plan for complete extinction of interest-bearing debt, their so-called labor organizations are mere bags of wind, and will collapse as soon as the banks stick a pin in them.

The most feasible plan is for Congress to commence purchasing the existing mortgages according to their priority of date, by issue of an United States *legal standard of payment*; not a promise to pay gold, silver, or other form of money, but actual money itself, to do

all that any form of money can do, *i. e.*, exchange one commodity or service for another commodity or service. This standard of payment should be composed largely of one, two, and five dollar notes, and a moderate amount of subdivisions of a dollar. From ten to fifteen millions of dollars of this standard of payment can be monthly ejected into business arteries without serious disturbance to commercial prices, because the real money getting into circulation would substitute itself for the bank credits now used as money, and thus gradually would a present necessary evil be transplanted by a positive good. Uncle Sam having possession of the mortgages, could charge an annual commission of one per cent. to pay expenses of maintaining this true "labor bureau," which the debtor would cheerfully pay in exchange for the onerous burden of interest paid by him at present.

Custom having sanctioned the paying of interest for use of money, it is perfect equity to demand that money paid as interest should in its turn receive interest, to be credited against debt principal. This equitable plan prevailed in monarchical Prussia before its absorption into the present Germany, whereby a land owner could borrow twenty years' rental of his property at four per cent. interest. Eighteen annual payments of interest cancelled the debt. For example: A mortgage loan of \$2000 would be cancelled by eighteen payments of \$80—amount of one year's interest at four per cent. The rate of interest was only a question of convenience, as the number of interest payments decreased with advance of rate. A

six per cent. bond expiring in about two-thirds of the time required to cancel a four per cent. bond.

If monarchical Prussia could do so much for her subjects, certainly democratic United States could and should do as much for her citizens. Our building and loan associations are based upon this equitable principle, but there are so many contingent risks attending their management that many of them do more harm than good. Values of property are too dependent upon the volume of bank credit to allow of time contracts being made with certainty. The unfortunate debtor frequently seeing his property sold for the amount due upon it after he had paid several years' dues into the association, not for any fault of his or of the association, but because neither he nor the association had control of the agent that exerts so much influence upon valuation as the volume of money does.

Had this equitable principle—of interest earning interest—been developed when we first began building our railroads, how much cheaper would our coal and transport charges be to-day?

When an adjustment of the money troubles of the Philadelphia and Reading Railroad Company takes place, it will be time to make the calculation whether the creditors would not have made more money by equity than they will make by enforcement of the usury charged under the present arrangement.

Not only can their innovations upon old bad habits be carried out, but there is a positive necessity that they shall be carried out. If every labor organization will determinedly and politely tell their congressional

representatives that upon this subject they are positively united, there is not a congressman, nor a prospective candidate for one, who will dare to refuse their demand. But if our labor men—as they call themselves—are to continue their old custom of bellying like bulls in convention and baa-ing like sheep on election day, they will never accomplish any improvement over their present surroundings.

It is the young men now coming to the front who must undertake the duty of completing their country's emancipation from feudal oppression left unfinished by their ancestors, the patriotic founders of our government. It was by severe physical suffering they earned the right for their descendants to make improvements as experience dictated them, and it is gross moral cowardice to neglect what was so nobly won.

There is not any use of asking this or that party to put such a plank in its platform. The true objective point of attack is the individual candidate himself, and when he sees intelligent resolution determined to accomplish its object, he will be obedient. When citizens will discuss ideas, and select men to represent them, we will have a government of the People, and not before. The social evils of the day are dividing old party lines in the remedies proposed for public relief, as witness the silver coinage question, which congressmen will not permit to come to a positive vote if they can possibly prevent it. There is no doubt that the free coinage of silver would give temporary relief to the debtor class, but as production of

silver is an uncertainty, it cannot afford permanent relief to a progressive people, because silver itself is dependent upon production of man's industry for redemption or value.

There is not, in the opinion of the writer, a member of the present Congress better versed in the social problem of the day, and one more honestly devoted to emancipation of the debtor class, than Congressman Brum, of Schuylkill County, Pennsylvania, and without consultation with him, or asking his consent, the writer respectfully suggests that he be made the central point of present organization, and for the time the leader in the proposed scheme for cancellation of debt.

The money disbursed among the people in paying off the mortgage debt upon land will largely aid the people in freeing themselves from the burdens imposed by other forms of bonded debt. The Reports of the Pennsylvania Railroad Company show that the expenses of the road are about sixty per cent. of receipts, leaving forty per cent. to be absorbed by bond interest and stock dividends. As this road is typical of all the other trans-continental trunk lines, some idea can be formed of the enormous tax upon industry in the form of transportation, without the prospect of its decrease under present arrangements.

Independent of pecuniary considerations, cancellation of debt is positively demanded upon moral grounds, because debt is one of the most potent stimulators of crime; especially is it active in driving people to the use of alcoholic stimulants in response to the exciting and exhaustive anxieties to find means

to meet obligations. Court records show that rum and crime are more rampant in what are called hard times—difficulty in paying debts—than in good times—ready payment of debts. Why not create perpetuity of good times in place of a perpetuity of debt?

### POLITICAL ACTION.

INDIVIDUAL success in business is so dependent upon general success of the community that it is gross stupidity to neglect intelligent study of the effects of national legislation, yet the great body of business men, be they engaged at the bench, mill, or in the counting-house, scarcely ever look beyond their immediate surroundings. This inattention to political duties on the part of individual citizens has created a new class of industry, known as politicians, that has become an important factor in legislative proceedings. These politicians have their election machinery so well organized, and know so well who are the inconsiderate voters on whom they can rely, that it is almost an absurdity for an inexperienced and unorganized class of citizens to attempt to defeat them. These politicians are dealers in public opinion, and try to shape their expressions of political principles as nearly as possible to what they think is the most popular. Their own principle is themselves, and, like the chameleon, turn to the color of the opinion that will feed them best.

Under this arrangement, the best practical way to get new ideas into legislation is to manufacture public opinion through social discussions, free from prejudice engendered by partisan spirit. Leaders of political

parties keep close watch upon growth and change of public opinion, and can tell almost to a dot how many votes a new idea will get when it enters the political arena as a distinct political party. These political leaders can measure popular demonstrations just as a good mechanic can measure the effective force of a machine. How often have we seen thousands gathered in the name of labor, with music, speeches, parade, etc., yet on the day of election the votes amount only to a few score. Popular demonstrations rarely carry the positive and permanent conviction that a quiet and friendly discussion between chums will produce, of which fact the political leaders are perfectly conversant, and they produce demonstrations as frothy and unreal to counteract the other demonstrations.

Excitement may be substituted for reason in a circus or other place of amusement, but reason must prevail over excitement when citizens are to determine upon measures best calculated to bring happy home surroundings. In the accompanying essays I have endeavored to suggest thoughts, not to formulate a platform, nor organize a new party, because the right and duty to do such things belong to the community, of which I am only one integer and unknown to the public. Organized movements, to be successful, must begin with a few who know exactly what they want to do, and have perfect confidence in each other. Gradually drawing in new associates of the same stamp, creates a power that will win public confidence, if judiciously and honestly managed upon broad principles of equity, and free from the stupid selfishness of what are called trades unions. The moment one

man says to another, "you sha'n't," it is only a question of strength whether the other shall not retort, and say, "you sha'n't." The "sha'n't" system never accomplishes a permanent good.

Physical exhaustion by manual labor and mental exhaustion incurred by competition in business have the same tendency to ignore the study of economic principles, and it is difficult to decide which is the more ignorant class of the two, employers or employed. But the banker having control of the situation is free from anxiety, and can study the effects of fiscal legislation and formulate congressional bills to his advantage. Business men must protect themselves against this bank tyranny by having some one to study financial laws in their behalf. These students of social science are, or should be, the wives and daughters of business men having means to free their family from household drudgery. Free from partisan strife and honestly looking only to discover truth, they could elucidate a true idea in a few minutes that had probably taken them considerable time to determine upon, a time which their husbands or brothers would never take from business to do. Through this channel female influence upon legislation will be more speedily and more potently effected, than by women stultifying their great intuitive faculties by partisan excitement. In voting, they cannot avoid identifying themselves with one of the parties, and the pride of party success will make them hob-nob with discordant parasites to win an apparent victory, just as men do now. If the Democratic party was to repudiate the rum interest the party would be largely in the

minority, and to secure a majority at the polls many good temperance Democrats will wink at the alliance with the rum-seller. It was so in the days of slavery: thousands of Democrats did not like slavery, but without the slave-owner their party was a skeleton regiment. If women enter the political arena, the number of voters will be increased without any improvement in politics.

The influence of women teaching the present rising generation need not stop because the boy leaves the grammar school. One hour a week devoted at home to an honest comparison of the economic condition of his own country with the attendant political policy, under the guidance of an intelligent mother, or elder sister, would bend the twig to make a straighter tree. It is woman's influence that keeps up the churches, not through the ballot-box, but through the social circle, and through the same channel they can stimulate higher political sentiments. It is not desirable to make homes cock-pits for senseless political party wrangles, but when a wife can, at convenient moments, make an intelligent exposition to her husband of the political surroundings, when his business was prosperous, and what they were, or are, when business is otherwise, the number of men who will not sacrifice party partialities for business success is so small as hardly worthy of mention.

Neither of the present contending factions has a clean record in regard to business prosperity. Under a Republican President and Congress the country suffered in 1873 one of the most disastrous panics and industrial prostrations ever experienced in our his-

tory, while the present discordant conditions are largely due to the action of a Republican Congress in March 3, 1883, which was largely aided by many Democrats. The Democratic administrations of Jackson and Van Buren, from 1828 to 1840, brought public and private bankruptcy, which was restored under a change of administration by the tariff act of 1842, to be again demolished by the tariff act of 1846, and making the country ripe for the rebellion of 1861, which had been smouldering since 1832. These are historical facts that will not down, and taken in connection with the utter imbecility displayed by President Cleveland, in his message regarding the labor disturbances, proves the necessity of some new departure in political manipulations.

The fact that certain localities give constant majorities for one or other of the two parties proves how largely men are influenced by personal antecedents and family connections. These predilections can only be changed by non-partisan teachers, more devoted to truth than to party success, and if women will devote themselves to this duty, and cease their silly attempt to degrade themselves at the polls, they will be true guardians of the future of our republic.

When citizens have to ask, "What will Congress do?" there is not much of a people's government about such a Congress. The people themselves must legislate, and elect their representatives to formulate the bill with necessary details.

When banks, Cobden clubs, and the candidates themselves pay the expenses of elections, the people have not much right to expect legislation beyond

personal benefit of the elected. A representative worth having is worth paying for. A free ballot is like a free lunch, there is poison behind it.

No single idea can ever establish a new political party when there are so many noxious weeds to be eradicated from the body politic. With some voters the rum question is paramount to all others; with others, the tariff question, and with others, the money question. These divisions are all made among the intelligent, thinking voters, leaving to the routine voter an easy victory for continuance of old evils. Women's teaching at the home circle would unite Democrat and Republican upon a higher political plane, and create a distinct demarcation between truth and error that could not fail of success on the right side. Business education of men teaches them better how to apply means to accomplish an end than women can ever learn in the domestic life. When men know the truth they will develop it through business intercourse. The leading member of any business firm, when possessed with a high moral tone of character, carries an immense influence for good upon every one he comes in contact with, and these are the men who should be sent to legislative halls, but such men will not go as representatives unless the constituency is ready to send them. They will neither ask to be sent, nor intrigue to be elected, the public must elect them.

## DEDICATION.

AUTHORITY to perform an act does not in itself necessarily confer upon the grantee the wisdom or ability to execute it, and until this ability is developed, an unwise exercise of the authority may produce more mischief than benefit. Our Declaration of Independence gave the authority to create a republic. It was all it could do at the time; the people were to do the work, and as far as they knew they did the best they could, but the experience of a century demonstrates that the ability was not commensurate with the authority. Too much stress has been laid upon changes of political names and forms, with almost total neglect of the means whereby the individual can combine with his fellow-citizens to create a union strong in itself, and capable to protect and develop the individual.

Monarchical power grants privileges to subjects; republican citizens grant privileges to public power. Such antipodal systems cannot possibly be maintained by the exercise of the same means. One or the other must give way, and unfortunately for us our grandfathers adopted the process for crushing individual development when they adopted the Common Law of England, which contains the poison of measuring man by property. It is against this chattel enslavement of man that the present antagonistic movements in

industrial circles are directed, but until the machinery is removed that produces the noxious power, the power cannot be destroyed. We cannot run a republican locomotive upon monarchical rails.

With the view to induce the young men of the United States to examine into the errors of the dominant dogmas of the day these accompanying essays have been written. They do not formulate any especial drill-manual of reform, because communities must do their own reforming according to their capacities. All that individual effort can do is to suggest thoughts in the minds of others, where, if the seed be good, good will result.

Old dogs will not learn new tricks, neither will men occupying social and political influential positions disturb their opinions with the intrusion of new ideas. The work of making a true republic depends upon the YOUNG MEN OF THE UNITED STATES; to whom I most respectfully dedicate these preliminary essays.

WALTER S. WALDIE.

PHILADELPHIA, May, 1886.



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